

Message Text

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ACTION COME-00

INFO OCT-01 EA-11 ISO-00 EB-11 CIAE-00 INR-11 NSAE-00

RSC-01 OPIC-12 TRSE-00 DRC-01 /048 W

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R 252239Z AUG 74

FM AMCONSUL PORT MORESBY

TO SECSTATE WASHDC 0068

INFO AMEMBASSY CANBERRA

LIMITED OFFICIAL USE PORT MORESBY 0127

PASS COMMERCE

E.O. 11652: N/A

TAGS: EAGR

SUBJECT: POSSIBLE AMERICAN INVESTMENT

1. DIRECTOR OF FORESTS MCINTOSH TOLD ME AUGUST 21 THAT A PARSONS WHITMORE TEAM WOULD RETURN TO PORT MORESBY IN A WEEK TO RESUME DISCUSSION ABOUT A PULP FACTORY IN PAPUA NEW GUINEA. EARLIER DISCUSSIONS ABOUT THE PROJECT WERE NEAR FRUITION WHEN IT BECAME APPARENT THAT THE VILLAGERS IN THE AREA WHERE THE MILL WAS TO BE ERECTED OBJECTED TO IT. GPNG WILL NOW PROPOSE ANOTHER LOCATION TO PARSONS WHITMORE, BUT, AS AN AUSTRALIAN FIRM ALREADY HAS AN OPTION ON THE AREA, ITMAY BE NECESSARY FOR PARSONS WHITMORE TO TAKE THE AUSTRALIAN FIRM INTO PARTNERSHIP.

2. MCINTOSH SAID THAT PARSONS WHITMORE WANTS ONLY SMALL EQUITY, AND IS MORE INTERESTED IN A MANAGEMENT CONTRACT AND IN THE SALE OF THE PRODUCT. FIRM IS THINKING OF ONE-THIRD PNG CAPITAL, ONE-THIRD AUSTRALIAN AND THE REMAINING THIRD POSSIBLY DIVIDED BETWEEN PARSONS WHITMORE AND JAPANESE CAPITAL.

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3. THIS PROJECT WILL PROBABLY INVOLVE AN INVEST-

MENT OF AROUND 150 MILLION DOLLARS AUSTRALIAN.
A TOTAL OF AROUND 2000 EMPLOYEES WOULD BE REQUIRED.
ALL OF THE FACTORY OUTPUT WOULD BE EXPORTED FOR AT
LEAST A FEW YEARS, ALTHOUGH EVENTUALLY A PAPER MILL
MIGHT BE ESTABLISHED.

4. MCINTOSH INDICATED THAT THE GPNG LOOKED FAVORABLY
ON THE PROJECT, BUT WOULD LIKE TO SEE THE EQUITY
PARTICIPATION OF PARSONS WHITMORE INCREASED.
OLMSTED

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: WOOD PRODUCTS, INDUSTRIAL PLANTS, INVESTMENTS, CONTRACTS
Control Number: n/a
Copy: SINGLE
Draft Date: 25 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: boyleja
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
Errors: N/A
Film Number: D740235-0024
From: PORT MORESBY
Handling Restrictions: n/a
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ISecure: 1
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Previous Handling Restrictions: n/a
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Review Comment: n/a
Review Content Flags:
Review Date: 08 JUL 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08 JUL 2002 by shawdg>; APPROVED <04 MAR 2003 by boyleja>
Review Markings:

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30 JUN 2005

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